

EXHIBIT 196

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA

IN RE:) No. 0:18-cv-01776-JRT-HB
)
PORK ANTITRUST) VIDEOTAPED DEPOSITION
LITIGATION) OF HOWARD THOMAS HILL,
) Ph.D.
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THE VIDEOTAPED DEPOSITION OF
HOWARD THOMAS HILL, Ph.D., taken before Chris A.
Quinlin, Registered Professional Reporter and
Notary Public of the State of Iowa, commencing
at 8:59 a.m., August 29, 2022, at 666 Grand
Avenue, Suite 2000, Des Moines, Iowa.

Reported by: Chris A. Quinlin, R.P.R.

1 fairly -- I think -- my recollection is that we
2 had a pretty low corn market.

3 Q. Okay.

4 A. But that's -- that's thinking back a
5 lot of years.

6 Q. Okay. So you remember an episode in,
7 you said, 2012 or '13 --

8 A. Yeah.

9 Q. -- where corn was really high?

10 A. Right.

11 Q. What effect does high corn prices have
12 on production decisions?

13 A. I would say that that tends to have
14 more of an effect on a smaller producer that
15 might -- might not buy pigs. Maybe if they're
16 finishing pigs, they might not buy pigs. But it
17 really -- you know, once you've got a system in
18 place and you've got contracts going, your goal
19 is to maximize production during that period of
20 time on a consistent basis, because you're
21 paying -- you've got a lot of fixed costs you're
22 paying for whether you've got pigs in there or
23 not.

24 Q. Yeah.

25 A. So you want to maximize your

1 production. Whether you're producing widgets or
2 pigs, you know, the more throughput you can get
3 through that system, the lower the cost is per
4 whatever you're producing. You know, it's just
5 basic economics. So larger pork producers are
6 not going to say, "Okay. We've got high prices,
7 so we're not going to -- we're not going to
8 breed sows." That just doesn't happen.

9 Q. So if you have high prices and you're a
10 large producer, so you've got everything locked
11 up, you've got contracts to deliver market hogs,
12 you've got production contracts in place, what
13 you're saying is you're going to try to maintain
14 your pigs even in a high feed price situation?

15 A. Yeah.

16 MR. BERGMAN: Form objection.

17 MR. JAGHER: Objection to form.

18 A. Because -- you know, so you're --
19 you're breeding sows 11 months from when you're
20 going to -- so tell me what the corn price is
21 going to be 11 months from now or -- or eight
22 months from now. You know, I mean, it's -- it's
23 hard to predict. And so what -- what producers
24 do is they try to mitigate their risk by -- by
25 hedging their inputs, things like that, so that

1 MR. JAGHER: Objection to form.

2 Q. Is that right?

3 A. That's right.

4 Q. And in your tenure in the pork
5 business, have you seen that happen more than
6 once?

7 A. Yes.

8 Q. And what were the two most significant
9 of those events when we saw an economic downturn
10 or a market downturn for a prolonged enough
11 basis that it affected a number of producers?

12 MR. JAGHER: Foundation.

13 A. Well, the -- the most dramatic one was
14 two thousand -- or 1998, when there just wasn't
15 enough packing capacity. And the other one was
16 when we had COVID and we didn't have enough
17 packing capacity.

18 Q. Okay.

19 A. You know, I mean, we had to -- they had
20 the capacity. We didn't have the labor. So
21 packing plants weren't accepting pigs, and
22 you -- you had to do whatever you could do. I
23 mean, there were pigs euthanized, there were
24 pigs sold to small markets, pigs given away,
25 that sort of thing. So that was -- that was a

1 significant downturn in the market.

2 Q. Okay. So the two most significant ones
3 that you recall as you sit here today were
4 the -- kind of the crisis of 1998 and then the
5 pandemic?

6 A. Right.

7 Q. We went through e-mails today, and the
8 quote from Mr. Stoecker was from the 2009 time
9 period. Was that during a period of kind of
10 prolonged downturn in the hog market as well?

11 A. Yeah, it was. And I don't know -- I
12 can't tell you exactly when it started, but, I
13 mean, people talk about 2008 as much as 2009, so
14 there was a period there where things were --
15 were really tough.

16 Q. And same thing. If you're in what you
17 described as a tough period and you're not
18 making money raising hogs, there's only so long
19 that a producer can do that before they have to
20 go out of business; is that right?

21 A. Right.

22 Q. Now, you were also asked about Tab 3,
23 which is Exhibit 1709. Exhibit 1709 is an
24 e-mail. And it looks to me like it's
25 essentially the same -- same individuals that we

C E R T I F I C A T E

I, the undersigned, a Registered Professional Reporter and Notary Public of the State of Iowa, do hereby certify that I acted as the Registered Professional Reporter in the foregoing matter at the time and place indicated herein; that I took in shorthand the proceedings had at said time and place; that said shorthand notes were reduced to typewriting under my supervision and direction, and that the foregoing pages are a full and correct transcript of the shorthand notes so taken; that said deposition was not submitted for review.

I further certify that I am neither attorney nor counsel for, or related to or employed by any of the parties in the foregoing matter, and further that I am not a relative or employee of any attorney or counsel employed by the parties hereto, or financially interested in the action.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of September, 2022.



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